

SAP Procedures

Treasury Report on Receivables (TROR) Due From the Public

Due to the complexity of this quarterly report, all of the required information cannot be extracted directly from SAP. Accounts Receivable personnel will have to maintain manual records to capture some of the required information as noted throughout this document.

The following procedures with line item definitions are to be used in the preparation of this report. The procedures coincide with the Section and Line numbers of the quarterly Treasury Report on Receivables (TROR) Due from the Public.

Part I: Status of Receivables

Section A : Receivables and Collections Summary

Line 1) Beginning FY balance-this figure remains unchanged throughout the fiscal year-number and dollar amount of all receivables outstanding as of the beginning of the fiscal year- (not as of the end of the previous quarter). Please refer to the Instructional Workbook for Preparing the Report on Receivables Due from the Public, p.18 “Section A-Receivables and Collections-shows the current beginning fiscal year balance of all receivables; and the **cumulative activity during the fiscal year** as of the end of the quarterly reporting period for new receivables, accruals, collections, adjustments, amounts written-off, and the ending balance at the end of the reporting period”. Use the verified ending balance of outstanding receivables **as of the prior fiscal year**.

Line 2) New Receivables

Number and dollar amount of all new receivables established **during the fiscal year (not just during the quarter)**.

Manual records should be maintained to accumulate this information.

Line 3) Accruals

Dollar amount of earned interest and late charges **accrued** during the current fiscal year, but not yet added to the outstanding receivable amount. Because SAP automatically calculates and applies interest and finance charges to outstanding bills, we should not normally have any entries on this line for interest accruals.

Line 4) Collections on Receivable

Dollar amount of collections on *all debts*, including delinquent, non-delinquent, restored and written-off debt, **during the fiscal year (not just during the quarter)**.

- A) At Agency: dollar amount for both delinquent and non-delinquent debt worked and collected at the agency-could use ZFI_AR_STATUS run for open and closed and sum the amounts for the applicable reporting period, this report sorts data by customer number. **Recommendation:** save as an excel file and then sort to accumulate the data for commercial accounts to be included on the report for the applicable reporting period.

Line 4) Continued

- B) At Third Party: dollar amount for both delinquent and non-delinquent debt collected by a third party other than DOJ or a private collection agency, such as a guaranty agency. Manual records should be maintained to identify these items.
- C) Asset Sales: dollar amount of proceeds realized from the sale of a loan or debt asset. Manual records will have to be maintained for this data.
- D) Other: dollar amount of all other collections both delinquent and non-delinquent not recorded in one of the lines above. Other collection tools and techniques include but are not limited to wage garnishment, private collection agencies, designated debt collection center, and foreclosure. Amounts reported on this line must be footnoted to identify the collection tools or techniques used.
Manual records should be maintained for these items.

Line 5) Adjustments

Number and dollar amount of changes to receivables during the fiscal year due to reclassifications or adjustments, acquisition of property, estimated losses on acquired property, or consolidations.

- A) Reclassified/Adjusted Amounts
- B) Adjustments Due to the Sale of Assets
- C) Consolidations

Manual records will have to be maintained for this data if you have any receivables applicable to these categories.

Line 6) Amounts Written Off

Number and dollar amount of all uncollectible receivables written off during the fiscal year. Please ensure write-offs are processed in accordance with NASA FMM 9051-5h Write-Off and Closeout Procedures.

- A) Currently not Collectible: number and dollar amounts of debts greater than 2 years old where collection continues and the debt is not closed out. The BW Report ARRPT7-Aged Accounts Receivable can be used to determine the open commercial receivables greater than 2 years old.
- B) Written Off and Closed Out: number and dollar amount of debts that result in the termination of all collection activity and elimination of the accounts from further servicing. The ZFI_AR_STATUS can also be used to identify these items.

Line 7) Ending Balance

Number and dollar amount of receivables outstanding. This amount is the sum of lines 1,2,3,4,5, and 6. This amount must agree with the general ledger. Because there is no distinction between Federal and Commercial in the general ledger balance of account 1310.0000 Accounts Receivable, the overall balance of the account must first be verified and then the commercial/public portion may be reported. Verify the general ledger balance by executing the Trial Balance GR55 ZAOB to get the ending balance for account 1310.0000 and also executing the S_ALR_87012173 List of Customer Open

Line 7) Continued

Items Reports using **dynamic selections** and running for account group ZFED and then running again for account group ZCOM. The sum of these reports must equal the total of the 1310.0000 account. The ending total on your 220-9 Report must equal the total of

the List of Customer Open Items Report for the ZCOM account group. Please provide copies of these reports with your 220-9 submission. It is critical that the ending balance of outstanding receivables reported by each center is verified for accuracy because the consolidated (220-9) report submitted to Treasury must agree with the ending general ledger balance for account 1310 which is reported on the audited financial statements.

A)Foreign/Sovereign: number and dollar amount of receivables owed to the Government by other Sovereign nations, not foreign corporations, or foreign individuals.

B)State and Local Government: number and dollar amount of receivables owed to the Government by state and local governments, public colleges and universities.

The number and dollar amounts of lines 7A and 7B of this section do **not** equal line 7. You will have to maintain manual records for this information

Line 8) Rescheduled Debt

A)Delinquent

B)Non-delinquent

Information will have to be manually maintained concerning rescheduled debt.

Section B: Delinquent Debt by Age

Receivables are recorded as delinquent if not paid by the **payment due date** unless the terms of the contract or agreement provide otherwise. **Receivables which are recorded as delinquent are aged from the payment due date or the day notification of debt was mailed depending on the contract or agreement, i.e., date of delinquency.** You may use the Aged Accounts Receivable BW Report-ARRPT7. This report **ages the receivables from the date they are established in SAP.** Therefore, please be careful to only report the **delinquent** items based upon due dates, not necessarily based upon the date of establishment in SAP.

Line 1)Total Delinquencies

Number and dollar amount of receivables reported on line 7 (Outstanding Receivables, Ending Balance) in Part 1, Section A that are delinquent at the end of the quarterly reporting period. Lines A-G of this item show the dollar amounts of receivables that are delinquent for the respective time periods. Sum of lines A-G must equal line 1. Please forward a copy of the Aged Accounts Receivable BW Report with notations as to which accounts are delinquent to support the amounts reported on lines A-G.

Line 2)Commercial- number and dollar amount of delinquent commercial accounts

Line 3)Consumer-number and dollar amount of delinquent consumer accounts

Sum of lines 2 and 3 must equal line 1. Please make notations on the Aged Accounts Receivable Report to indicate the classification of accounts as commercial or consumer.

Line 4)Foreign/Sovereign debt

Number and dollar amount of delinquent debt owed to the Government by sovereign nations (not those owed by foreign corporations or foreign individuals).

Manual records will need to be maintained for lines 2, 3, and 4.

Part II Debt Management Tool and Technique Performance Data

Section A: Delinquent Debt 180 Days or Less

Line 1) Total Delinquencies 1-180 days:

Cumulative dollar amount of delinquent debt outstanding 180 days or less as of the end of the quarterly reporting period. Must equal the sum of Part I, Section B, lines 1A and line 1B.

- A) In Bankruptcy
- B) In Forbearance or in Formals Appeals Process
- C) In Foreclosure
- D) At Private Collection Agencies
- E) At DOJ-number and dollar amount of delinquent debt outstanding in litigation
- F) Eligible for Internal Offset-the agency will collect the delinquent debt by offsetting payments made or due to the delinquent debtor
- G) In Wage Garnishment-do not include garnishment actions being pursued by DOJ, these actions would be reported in the litigation category, line E
- H) At Treasury for Cross-Servicing-use ZRFI_AR_REFER_COLLEC to determine the receivables that have been referred to Treasury for collection
- I) At Treasury for Offset-debt referred to Treasury for salary or tax refund offset-may also use the ZRFI_AR_REFER_COLLEC
- Will have to maintain manual records to
- J) At Agency
- K) Other-items on this line must be footnoted, items being worked by management tools and techniques not represented in lines 1A-1J

Manual records will have to be maintained for all of these items, but there is an SAP report for H and I.

Section B: Delinquent Debt 181 Days and Over

Captures delinquent debt information according to eligibility for referral to Treasury for offset and cross-servicing. The Debt Collection Improvement Act requires agencies to notify Treasury of all debts delinquent more than 180 days for offset and refer to Treasury all debts delinquent more than 180 days for cross-servicing collection except bankruptcies, foreign/sovereign debt, forbearance programs, formal appeals, foreclosures, debts at private collection agencies, in litigation, and eligible for internal offset.

Line 1) Debt Eligible for Referral to Treasury for Offset

- A) Delinquent Debt over 180 days and Currently not Collectible: dollar amount of debt over 180 days delinquent but not over 10 years delinquent, the dollar amount on this line must equal the sum of lines 1C through 1F of Part 1, Section B added to the sum of lines 1A through 1D of Part II, Section D.
- B) In Bankruptcy

Section B, Line 1) Continued

- C) Foreign Sovereign Debt
- D) In Forbearance or Formal Appeals Process
- E) In Foreclosure
- F) Other-amounts on this line must be footnoted with the reason for exempting or adjusting the debt referral

G)Debt Eligible for Referral to Treasury for Offset-dollar amount on this line equals the sum of lines 1A through 1F of this section

H)Debt Referred to DOJ/Litigation

I)Debt Eligible for Referral to Offset by the Agency-number and dollar of this line equals G minus H

J)Debt Referred to Treasury for Offset- use ZRFI_AR_REFER_COLLEC to determine the receivables that have been referred to Treasury for collection

K)Balance of Debt Eligible for Referral by the Agency-dollar amount of this line equals I minus J

Manual records need to be maintained to track all this information except J for which an SAP Report is available to report items already referred to Treasury.

Line 2)Debt Eligible for Referral to Treasury or a Designated Debt Collection

Center for Cross-Servicing

A)Debt Eligible for Referral to Treasury for Offset-this line must equal line 1I of this section

B)At Private Collection Agencies

C)Eligible for Internal Offset

D)Debt exempted by Treasury from Cross Servicing

E)Other-amounts on this line must be footnoted with the reason for exempting or adjusting the debt referral

F)Debt Eligible for Referral to Treasury or a Designated Debt Collection Center for Cross-Servicing: dollar amount on this line equals the sum of lines 2A through 2E of this section

G)Debt Referred to Treasury for Cross Servicing- use ZRFI_AR_REFER_COLLEC to determine the receivables that have been referred to Treasury for collection

H)Balance of Debt Eligible for Referral by the Agency-dollar amount of this line equals F minus G minus H

Manual records should be maintained to track this information.

Section C: Collections

Captures information on all collections of delinquent accounts by management tool and technique. Allows agencies to assess the effectiveness of the current debt collection strategies.

Line 1)Collections on Delinquent Debt

A)By Private Collection Agencies

B)By DOJ

C)By Internal Offset

D)By Third Party

E)By Asset Sales

Section C, line 1)Continued

F)By Wage Garnishment

G)By Treasury for Offset

H)By Treasury for Cross-servicing

I)By Agency

J)Other-all amounts reported on this line are to be footnoted to identify the collection method used

Manual records should be maintained to track this information

Section D: Debt Disposition

Captures information on the number and dollar amount of selected categories of written-off delinquent debt. The purpose of this section is to identify the amount of debt which has been written off, but on which the agency is still pursuing collection action.

Line 1)Currently not Collectible (Written-off and Not Closed-Out):

Number and dollar amount of receivables that have been written-off (removed from agency accounting records) and not closed-out (reported to the IRS on Form 1099-C). Should equal the sum of lines A through D of this section.

A)At Private Collection Agencies

number and dollar amount of receivables written-off but on which collection efforts are still being pursued

B)At Treasury or a designated debt collection center for cross servicing

number and dollar amount of receivables written-off, but on collection is being pursued by a designated debt collection center, including at Treasury for cross-servicing

C)At Treasury for Offset-

number and dollar amount of receivables written-off and referred to Treasury to be entered in the Treasury Offset Program delinquent debtor database

D)Other

number and dollar amount of receivables written off and not included in lines 1A thru 1C, amounts reported on this line must be footnoted to explain other circumstances

Line 2)Reported to IRS on Form 1099-C (Written-off and Closed Out):

Number and dollar amount of debt reported as income to the IRS on form 1099-C during the fiscal year. Reporting to IRS always occurs in the 2nd Quarter of the fiscal year (February). See Instructional Workbook for Preparing the “Report on Receivables due from the Public” for an example.

Utilize SAP transaction FMFG_E_1099_C to generate the Tax Form 1099-C and submit copies with the next quarter report to support the balance reported on this line.

The Accounts Receivable Worksheets indicated in FMM9343-2A, 2B, and 2C are no longer valid for SAP Reporting. In lieu of submitting these worksheets, please submit the following:

- Copy of the Trial Balance GR55 ZAOF to get the ending balance for account 1310.0000 and also the S_ALR_87012173 List of Customer Open Items Reports using dynamic selections for account group ZFED account group ZCOM. Please ensure that the balance of the List of Customer Open Items Reports equals the ending balance general ledger account 1310.0000
- Copy of the Trial Balance GR55 ZAOF to get the ending balances for accounts 1319.0000, Allowance for Loss on Accounts Receivable; 1340.0000, Interest Receivable; 1349.0000, Allowance for Loss on Interest Receivable; 1360.0000 Penalties, Fines, Administrative Fees Receivable; 1369.0000, Allowance for Loss on Penalties, Fines and Fees Receivable
- Copy of BW Report ARPPT7-Aged Accounts Receivable with notations as to which accounts are delinquent and in which category of delinquency the receivable has been reported in Part I, Section B, lines 1A-G and also indicate the classification of accounts as commercial or consumer. Please continue to provide a comment sheet for the collection status of accounts receivable over 60 days delinquent as indicated in FMM9343-2D Collection Status of Accounts Receivable over 60 days delinquent

Please provide the following additional information:

- Copy of the ZRFI_AR_REFER_COLLEC Referred to Collection Agency for Collection Report
- Copy of the ZFI_AR_STATUS Accounts Receivable Report
- Copy of documents approving the write-off of receivables
- Written explanations for any differences between the general ledger balance for account 1310.0000, Accounts Receivable and the List of Customer Open Items Report S_ALR_87012173